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February 23, 2018

U.S. Postal Regulatory Commission
901 New York Avenue NW, Suite 2000
Washington, DC 20268-0001

POSTAL REGULATORY
COMMISSION
THREE OF THE SEVEN

RE: 10-Year Regulatory Review

Dear Commissioners,

As a representative of Eastern Marketing Services and a member of the mailing industry whose livelihood depends on a viable postal system, I am writing to convey my strong opposition to the changes you have proposed as a result of your 10-year review of the system for regulating rates. Last year, Eastern Marketing Services accounted for close to \$1.75 million in shared mail, solo mail and EDDM.

By the Postal Regulatory Commission's (PRC) conservative estimates, this proposal would increase the postage costs of mail by perhaps more than 27% for letters and more than 40% for some flats over a five year period. In the past we have been able to partially offset postage increases by working with our business partners to find efficiencies. But those opportunities are largely exhausted. As we budget for current and future postage spending, these proposed increases are already causing us to consider how to reduce mail volume by improved targeting and accelerating migration to digital channels wherever possible. The media landscape is more competitive than ever. The largest factor in losing customers to other forms of advertising is the cost of postage.

Now more than ever it is critical that the PRC understands the effect that its proposal will have on Eastern Marketing Services and other users of the mail. The CPI cap provided welcome predictability that allowed us to plan for moderate rate increases by the Postal Service. Abandonment of the CPI cap will introduce a degree of uncertainty that will make alternatives to use of the mail much more attractive and certainly result in an exodus of customers and their mail from the postal system.

Rather than ask the Postal Service to tighten its belt and improve service to retain volume, the PRC's proposal provides the Postal Service excessively broad pricing flexibility at a time when tight margins and greater uncertainty regarding postage rates are making the mail an increasingly unattractive communications medium. For these reasons, I urge you to reconsider your decision to permit the draconian rate increases that would inevitably result from your proposal. I respectfully suggest that a more appropriate focus is on improved understanding and management of the costs within the Postal Service. As a business, we must aggressively manage our costs and provide high quality services to survive. Your proposal absolves the Postal Service of the need to meet similar standards by simply allowing them to increase prices to cover their costs.

Regards,

A handwritten signature in black ink, appearing to read 'EBS'.

Eric B. Sessler
General Manager
Eastern Marketing Services
111 New Hampshire Ave, Portsmouth, NH 03801